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The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by Nancy Vicknair.

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## DIGEST

Murray (SB 351)

Present law levies for the period from August 1, 1990 through June 30, 2012, a state tax of 2.5% and a local tax of 0.5% of the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract.

Proposed law authorizes the governing authorities of Jefferson and Orleans to create by ordinance an automobile rental tax district, which is authorized to levy, beginning July 1, 2012, an automobile rental tax not to exceed three percent of the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract, less any sales and use tax included in such contract, after approval by the voters of the district in election held at the same time as a regularly scheduled election in the parish creating the district.

The boundaries of the district must be coterminous with the boundaries of the parish and the parish governing authority must be the governing authority of the district. Authorizes the parish governing authority to prescribe in the ordinance creating the district any other purposes of the district and authorizes the parish and the district to enter into a cooperative endeavor agreement providing for cooperative efforts to exercise any authorized governmental function of the parish.

Proposed law requires the proceeds of the tax in Jefferson to be distributed:

1. One-third to the city of Kenner for arts and recreation.
2. Two-thirds to the Jefferson Performing Arts Society for programs on the east and west banks, provided that one-third of that amount is distributed to the Westwego Performing Arts Center and one-sixth of that amount is distributed to the Gretna Cultural Center for the Arts.

Requires the proceeds of the tax in Orleans to be used for road repairs and beautification projects.

Proposed law has the same terms as present law, that is:

It prohibits the tax from applying to automobiles rented by an insurance company as a replacement vehicle for a policyholder or by an automobile dealer as a replacement vehicle while a customer's vehicle is being serviced or repaired, nor to any individual or business who rents a vehicle as a replacement vehicle while his vehicle is being repaired if the individual presents to the renter upon return of the rented vehicle a copy of the repair or service invoice.

It defines "automobile rental contract" as all agreements for the rental of an automobile without a

driver, designated to carry less than 9 passengers for a period of not more than 29 calendar days. Rental agreements for a period of more than 29 calendar days are not subject to the tax, unless the actual period of the rental agreement is less than 29 days as a result of the exercise of a cancellation clause.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:551.1)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Limits the proposed law to an authorization for the creation of an automobile rental tax district and the levy of an automobile rental tax of two and one-half percent in the parishes of Jefferson and Orleans.

##### Senate Floor Amendments to engrossed bill

1. Changes the automobile rental tax from two and one-half percent to three percent.
2. Requires one-sixth of the tax distributed to the Jefferson Performing Arts Society to be distributed to the Gretna Cultural Center for the Arts.